

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY AND KENTUCKY)	
UTILITIES COMPANY FOR REVIEW,)	CASE NO.
MODIFICATION, AND CONTINUATION OF)	2014-00003
EXISTING, AND ADDITION OF NEW,)	
DEMAND-SIDE MANAGEMENT AND)	
ENERGY-EFFICIENCY PROGRAMS)	

ORDER

By Order issued on June 20, 2014, Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E/KU") and the intervenors to this proceeding had until July 7, 2014, to request an evidentiary hearing. LG&E/KU request that this matter be decided based upon the evidentiary record. Wallace McMullen and Sierra Club (collectively "Sierra Club") and the Metropolitan Housing Coalition ("MHC") oppose LG&E/KU's request and ask that an evidentiary hearing be scheduled for this case. As discussed below, we find that an evidentiary hearing should be held in this matter.

On July 3, 2014, LG&E/KU filed a motion to submit the case for a decision on the record, asserting that there are no genuine issues of material fact because all of the parties to the proceeding have fully addressed any factual concerns regarding the proposed changes to LG&E/KU's demand-side management and energy-efficiency ("DSM/EE") programs through discovery and the filing of testimony. LG&E/KU assert that there are only issues of law and policy about which the parties disagree, which the Commission can resolve without the need for a hearing. LG&E/KU claim, to the extent that the intervenors wish to address LG&E/KU's arguments raised in their rebuttal

testimony, the filing of briefs, with the possibility of oral arguments, would be sufficient to resolve these legal and policy issues.

On July 7, 2014, Sierra Club filed both a request for an evidentiary hearing and its opposition to LG&E/KU's motion to submit the case for a decision on the record. In support of the request for an evidentiary hearing, Sierra Club asserts that an evidentiary hearing is necessary to develop a complete record and to address such issues as how to properly analyze the savings potential, costs and benefits of LG&E/KU's DSM/EE programs. Sierra Club also asserts that an evidentiary hearing will ensure that LG&E/KU are adequately pursuing demand-side resources, given that LG&E/KU are seeking to build a new power plant by 2018 and may seek to build an additional plant.

On July 7, 2014, MHC filed its opposition to LG&E/KU's motion and requested an evidentiary hearing. As grounds for its request, MHC states that the prefiled testimony of its witness, Cathy Hinko, raises several issues of fact and law concerning the conformity of the proposed DSM/EE plans with KRS 278.285. MHC states that it has raised several issues, including, *inter alia*, the impact the DSM/EE programs will have on low-income neighborhoods and/or neighborhoods with concentrations of people in protected categories.

Wal-Mart Stores East, LP, and Sam's East, Inc. ("Walmart") filed responses to the pleadings discussed *supra*. Walmart states that it has no objection to LG&E/KU's request to submit the case for a decision on the evidentiary record, provided that the parties are afforded opportunities to brief the issues. Walmart also requests that, if a hearing is scheduled, it be given an opportunity to cross-examine LG&E/KU's witnesses

to the extent that the witnesses' rebuttal testimony addressed issues raised by Walmart's witness, Kenneth Baker, in his pre-filed testimony.

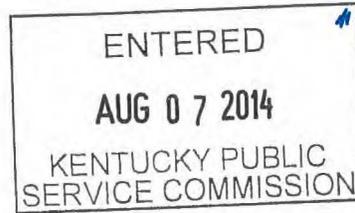
Having reviewed the pleadings and responses thereto, and being otherwise sufficiently advised, we find that the intervenors to this case have raised factual sufficient issues that an evidentiary hearing should be scheduled.

IT IS THEREFORE ORDERED that:

1. LG&E/KU's motion for a decision based on the evidentiary record is denied.
2. Sierra Club and MHC's motion for an evidentiary hearing is granted.
3. A hearing shall be scheduled for Tuesday, September 3, 2014, at 10:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, and shall continue until completed.
4. LG&E/KU shall publish notice of this hearing in compliance with 807 KAR 5:001, Section 9(2)(b).
5. No later than August 29, 2014, LG&E/KU shall file with the Commission proof of publication of its notice of the hearing in each of the publications in which it published notice.
6. Unless the Commission directs otherwise, the parties shall file with the Commission responses to requests for information made at the hearing no later than September 19, 2014.
7. Pursuant to KRS 278.360, the record of the formal hearing in this matter shall be by videotape.

8. Commission Staff shall make a written exhibit list and file it with the Commission, along with all exhibits and a copy of the video transcript of the hearing.

By the Commission



ATTEST:



Executive Director

Case No. 2014-00003

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